

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 49c-1, 1531 of this title; title 39 section 3202.

§ 49h. Fiscal controls and accounting procedures**(a) Audit**

(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, Federal funds paid to the recipient under this chapter. The Director of the Office of Management and Budget, in consultation with the Comptroller General of the United States, shall establish guidance for the proper performance of audits. Such guidance shall include a review of fiscal controls and fund accounting procedures established by States under this section.

(2) At least once every two years, the State shall prepare or have prepared an independent financial and compliance audit of funds received under this chapter.

(3) Each audit shall be conducted in accordance with applicable auditing standards set forth in the financial and compliance element of the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

(b) Evaluations by Comptroller General

(1) The Comptroller General of the United States shall evaluate the expenditures by States of funds received under this chapter in order to assure that expenditures are consistent with the provisions of this chapter and to determine the effectiveness of the State in accomplishing the purposes of this chapter. The Comptroller General shall conduct evaluations whenever determined necessary and shall periodically report to the Congress on the findings of such evaluations.

(2) Nothing in this chapter shall be deemed to relieve the Inspector General of the Department of Labor of his responsibilities under the Inspector General Act.

(3) For the purpose of evaluating and reviewing programs established or provided for by this chapter, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs that are in the possession, custody, or control of the State.

(c) Repayment of funds by State

Each State shall repay to the United States amounts found not to have been expended in accordance with this chapter. No such finding shall be made except after notice and opportunity for a fair hearing. The Secretary may offset such amounts against any other amount to which the recipient is or may be entitled under this chapter.

(June 6, 1933, ch. 49, § 9, 48 Stat. 116; Oct. 18, 1982, Pub. L. 97-300, title VI, § 601(e), formerly title V, § 501(e), 96 Stat. 1396; renumbered title VI, § 601(e), Nov. 7, 1988, Pub. L. 100-628, title VII, § 712(a)(1), (2), 102 Stat. 3248.)

REFERENCES IN TEXT

The Inspector General Act, referred to in subsec. (b)(2), probably means the Inspector General Act of

1978, Pub. L. 95-452, Oct. 12, 1978, 92 Stat. 1101, as amended, which is set out in the Appendix to Title 5, Government Organization and Employees.

AMENDMENTS

1982—Pub. L. 97-300 amended section generally, substituting provisions requiring the States to prepare accounting procedures under Federal guidance, to submit to biennial audit with evaluation of expenditures by the Comptroller General and providing for repayment of improperly expended funds, for provisions requiring reports on expenditures to the Secretary under his regulations and giving him authority to revoke State certification.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-300 effective Oct. 1, 1983, but with Secretary authorized to use funds appropriated for fiscal 1983 to plan for orderly implementation of amendment, see section 181(i) of Pub. L. 97-300, which is classified to section 1591(i) of this title.

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§ 49i. Recordkeeping and accountability**(a) Records**

Each State shall keep records that are sufficient to permit the preparation of reports required by this chapter and to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully.

(b) Investigations

(1) The Secretary may investigate such facts, conditions, practices, or other matters which the Secretary finds necessary to determine whether any State receiving funds under this chapter or any official of such State has violated any provision of this chapter.

(2)(A) In order to evaluate compliance with the provisions of this chapter, the Secretary shall conduct investigations of the use of funds received by States under this chapter.

(B) In order to insure compliance with the provisions of this chapter, the Comptroller General of the United States may conduct investigations of the use of funds received under this chapter by any State.

(3) In conducting any investigation under this chapter, the Secretary or the Comptroller General of the United States may not request new compilation of information not readily available to such State.

(c) Reports

Each State receiving funds under this chapter shall—

(1) make such reports concerning its operations and expenditures in such form and containing such information as shall be prescribed by the Secretary, and

(2) establish and maintain a management information system in accordance with guidelines established by the Secretary designed to facilitate the compilation and analysis of programmatic and financial data necessary for reporting, monitoring, and evaluating purposes.

(June 6, 1933, ch. 49, § 10, 48 Stat. 116; Oct. 13, 1982, Pub. L. 97-300, title VI, § 601(f), formerly title V, § 501(f), 96 Stat. 1396; renumbered title VI, § 601(f), Nov. 7, 1988, Pub. L. 100-628, title VII, § 712(a)(1), (2), 102 Stat. 3248.)